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FOREIGN SERVICE DESPATCH

582 June 14, 1952.

FROM : AMEMBASSY, TAIPEI.

TO : THE DEPARTMENT OF STATE, WASHINGTON

REF :

SUBJECT: Replacement of Taiwan Provincial Kuomintang Headquarters Chairman.

On May 16, 1952, four of Taipei's leading Chinese newspapers, Chung Yang Jih Pao (KMT), Chung Hua Jih Pao (KMT), Kung Lun Pao (China Youth Party connections) and Combined Edition (Independent) carried a Central News Agency despatch stating that SHANG-KUAN Yeh-yu ( ) had been appointed Taiwan Provincial Kuomintang Headquarters Chairman to replace NI Wen-ya ( ) who had been elected to the position on November 8, 1951, by the new Taiwan Provincial Kuomintang Headquarters(1).

However, certain persons in the office of the Kuomintang Central Reform Committee declared that Shang-Kuan had not been appointed full chairman but had been named only acting chairman in connection with a reorganization of provincial headquarters of the Kuomintang. No correction to this effect was ever made by the Central News Agency.

Reasons given for the need to reorganize the provincial headquarters were:

(1) Lack of revolutionary vigilance, which had made possible infiltration of a Communist agent into the Party (that is, LI Yu-pang ( ), Formosan member of provincial headquarters and, until shortly before his execution in April 1952, publisher of Hsin Sheng Pao) and which necessitated the resignation of NI Wen-ya and his submission to punishment by the Party.

(2) Lack of capacity for leadership on the part of provincial headquarters, which had brought the work of a few district and municipal Kuomintang headquarters to a standstill and which made it imperative that the central authority in the Party reorganize

(1) - SHANG-KUAN Yeh-yu, aged 43, is a native of Hunan Province; graduate, Central Political Institute. Member, KMT Central Executive Committee; executive member, San Min Chu I Youth Corps, and later its deputy director of Organization and Secretariat; chief, Political Department, President's Headquarters in the Northwest; director, Political Department, Information Department, Administrative Department, and Civil Affairs Department, Office of High Commissioner for the Northwest; presently chief of the Youth Service Corps and chairman of the Board, Friends of the Armed Forces Association.

RWRinden:jp
REPORTER(S)

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provincial headquarters in accordance with Article 18 of "General Principles Governing Party Cadres"(2).

The appointment of Shang-Kuan as new chairman of provincial headquarters was presumably made in accordance with Article 2 of the "Organic Rules of Kuomintang Committees of Provincial and District Levels", which provides that "If a provincial congress cannot be convened, or due to other special circumstances, the central authority may select and appoint the committeemen as provided in the preceding article and may designate one from among them as chairman".

At its meeting on April 25, 1952, the Central Reform Committee agreed that the following interpretations were applicable to the phrase, "due to other special circumstances", and thus cleared the way for Shang-Kuan's appointment:

(1) Party discipline has been collectively violated.

(2) A committee lacks a quorum owing to an insufficient number of alternates to fill vacancies.

(3) A committee has lost capacity for leadership with the result that its work has come to a standstill.

(4) The central authority finds it imperative to select and appoint a chairman when the chairmanship is vacant owing to resignation or transfer.

(Under any of the foregoing circumstances the committee involved shall be either wholly or partially reorganized.)

Some weeks prior to the announcement of Ni's replacement by Shang-Kuan there were reports circulating among members of the Central Reform Committee and in Kuomintang Provincial Headquarters that Ni would be forced to resign (presumably by order of Kuomintang Director-General CHIANG Kai-shek) and that he would be succeeded by Shang-Kuan, one of General CHIANG Ching-kuo's supporters and head of the Youth Service Corps ( ), a Party organization to care for refugee students from the mainland.

(2) - Article 18. If any member of the Party cadre is no longer effective as a leader in thought, work and conduct and cannot be dealt with in the usual way, the Party may, under certain circumstances, take any of the following actions to relieve him of his duties:

(a) Force him to resign.
(b) Relieve him of his duties by order of the Party.
(c) Relieve him of his duties through the Government.
(d) Arouse Party members or the people to recall him in accordance with law.

The proposed replacement of Ni Shang-Kuan caused great dissatisfaction among several prominent members of the Kuomintang, especially CH'EN Hsueh-p'ing ( ), the Columbia-educated Provincial Commissioner of Education and Chief of the Central Reform Committee's First Section (which has charge of the organization and activities of Kuomintang members on Formosa and the mainland, except laborers and professional people). A former professor of education at National Peking University, Ch'en was so successful in organizing students into the San Min Chu I Youth Corps ( ) during the Second World War that he was made Minister of Youth in the Kuomintang at the war's end. He later became Political Vice Minister of Education. Through his influence, Ni was able to advance in the Party to chairmanship of provincial headquarters. Ch'en was reportedly so disturbed at the treatment given Ni that he tendered his resignation three times. The Director-General of the Party did not accept it, however.

A few months ago, on Youth Day (March 29) President Chiang called for young men on Formosa to unite under the anti-communist banner. Unification was necessary because of prevailing loose and ineffective organization and poor leadership. The President's desire that all young men should be brought into a single organization was of great interest to Youth Corps ( ) members and to General Chiang Ching-kuo's adherents. Control of this group of some 50,000 young men would have obvious advantages.

According to customary procedure, the project of bringing the young men of the island into a single organization would be handled by the Provincial Department of Education -- if done officially -- or by Kuomintang Provincial Headquarters -- if done otherwise. It was decided that the program should be carried out on an unofficial basis, which implied its being in the hands of Ni -- much to the delight of Ch'en and other Youth Corps men.

As the foregoing development would have been inimical to General Chiang's interests, he succeeded in persuading his father to replace Ni with one of his own group, Shang-Kuan. As Shang-Kuan was not a member of provincial headquarters and could not have been elected to the chairmanship, he necessarily had to be appointed to the post by the Party's Director-General.

The person in the Kuomintang Central Reform Committee's office, who supplied most of the foregoing information, declared that the power of the Party Director-General is almost unlimited. His authority is essentially inherited from Dr. SUN Yat-sen, founder of the Party and its first Director-General. According to the Constitution of the Kuomintang the power of the Director-General, although defined to a certain extent, actually knows no bounds. Therefore, the present Party Director-General had the power to dismiss Ni and appoint Shang-Kuan.

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COMMENT: No great significance is attached to the above-described episode. It has been recounted chiefly as an illustration of the very great authority which the Director-General of the Kuomintang exercises in the Party and hence in the Government since the latter is, for all practical purposes, a one-party government. It may also reflect the reported tendency of President Chiang to assist his elder son to gain increased power on Formosa.

Howard P. Jones
by Robert F. Rinden
Howard P. Jones
Charge d'Affaires a.i.

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